



# Income Tax Act 2007

## 2007 CHAPTER 3

### PART 12

#### ACCRUED INCOME PROFITS

#### CHAPTER 2

##### ACCRUED INCOME PROFITS AND LOSSES

##### *Calculating accrued income profits and losses*

#### **628 Making accrued income profits and losses: general rule**

- (1) This section sets out the general rule for determining whether a person is treated as making accrued income profits or accrued income losses where securities are transferred by or to the person.
- (2) This section does not apply in a case where section 630 applies.
- (3) A separate calculation is to be made for each kind of security that is transferred by or to the person and for each interest period of each such kind of security.
- (4) Each such calculation is to find—
  - (a) the total amount (“A”) of the payments treated under this Chapter as made to the person in the interest period in question in respect of transfers of securities of the particular kind, and
  - (b) the total amount (“B”) of the payments treated under this Chapter as made by the person in that period in respect of such transfers.
- (5) A person is treated as making accrued income profits in an interest period as a result of transfers of securities of a particular kind if A exceeds B.
- (6) A person is treated as making accrued income losses in an interest period as a result of transfers of securities of a particular kind if B exceeds A.

---

*Changes to legislation:* There are outstanding changes not yet made by the legislation.gov.uk editorial team to Income Tax Act 2007. Any changes that have already been made by the team appear in the content and are referenced with annotations. (See end of Document for details) [View outstanding changes](#)

---

- (7) For the payments that are treated as made on transfers of different kinds, see—  
 section 632 (payment on transfer with accrued interest),  
 section 633 (payment on transfer without accrued interest),  
 section 634 (payment on transfer with unrealised interest),  
 section 635 (payment on transfer of variable rate securities), and  
 section 637(2) (accrued income losses treated as payment on transfer in next interest period).
- (8) See also—  
 section 638(2) (no account to be taken of any payment treated as made by or to excluded transferor or transferee), and  
 Chapter 3 (exemptions relating to interest on securities).

### **629 Calculating accrued income profits and losses where section 628 applies**

- (1) If section 628(5) applies, the amount of the accrued income profits treated as made is equal to the excess mentioned in section 628(5).
- (2) If section 628(6) applies, the amount of the accrued income losses treated as made is equal to the excess mentioned in section 628(6).

### **630 Making accrued income profits: settlement day outside interest period**

- (1) This section applies if—
- (a) there is a transfer of securities with unrealised interest or a transfer of variable rate securities, and
  - (b) the settlement day for the transfer falls after the end of the only or last interest period of the securities.
- (2) The transferor is treated as making accrued income profits.
- (3) See also—  
 section 638(3) (no account to be taken of transfer if transferor is excluded transferor), and  
 section 681 (exemption for unrealised interest received by transferee after transfer).

### **631 Amount of accrued income profits where section 630 applies**

- (1) In the case of a transfer of securities with unrealised interest to which section 630 applies, the amount of the accrued income profits treated as made is equal to the unrealised interest.
- (2) Subsection (1) is subject to section 660 (transfers with unrealised interest: interest in default).
- (3) In the case of a transfer of variable rate securities to which section 630 applies, the amount of the accrued income profits treated as made is such amount as is just and reasonable.

**Changes to legislation:**

There are outstanding changes not yet made by the legislation.gov.uk editorial team to Income Tax Act 2007. Any changes that have already been made by the team appear in the content and are referenced with annotations.

[View outstanding changes](#)

**Changes and effects yet to be applied to the whole Act associated Parts and Chapters:**

Whole provisions yet to be inserted into this Act (including any effects on those provisions):

- s. 24B inserted by [2023 c. 30 Sch. 2 para. 10\(3\)](#)
- s. 788(7) inserted by [2007 c. 29 Sch. 21 para. 161\(b\)](#) (The amending provision was repealed before coming into force.)